



EXECUTIVE CHAMBERS

HONOLULU

DAVID Y. IGE
GOVERNOR

April 1, 2021

GOV. MSG. NO. 6

The Honorable Ronald D. Kouchi,
President and Members of the Senate
Thirty-First State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

✓ The Honorable Scott K. Saiki,
Speaker and Members of the House
of Representatives
Thirty-First State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

Transmitted herewith are changes to the FB 2021-23 Executive Budget and requests for emergency and specific FYs 21-23 appropriations. These requests are primarily due to the significant changes to the State's fiscal situation and the requirements of the American Rescue Plan Act (ARPA) of 2021.

The State's recovery from the economic impact of the coronavirus, COVID-19, has thus far exceeded expectations and is expected to continue to be stronger than previously anticipated. At its meeting on March 8, 2021, the Council on Revenues (COR) revised its general fund tax revenue growth projection for FY 21 of -6.5% to -2.5%. In addition, the COR decreased its projections for FY 22 and FY 23 from 6% to 4%; maintained its projection for FY 24 at 4%; and decreased its projections for FY 25, FY 26, and FY 27 from 4% to 3.5%.

The COR's forecast assumed the passage of the ARPA, which was enacted as Public Law No. 117-2 on March 11, 2021. The Act establishes the \$219.8 billion Coronavirus State Fiscal Recovery Fund (CSFRF) of which the State of Hawai'i's allocation is estimated to be \$1.632 billion by Federal Funds Information for States.

The ARPA provides four allowable uses of CSFRF monies, which must be spent by December 31, 2024:

1. Use "A" to respond to the COVID-19 public health emergency or its negative economic impacts, including assistance to households, small businesses and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality.

2. Use "B" to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible state workers that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work.
3. Use "C" for provision of government services to the extent of the reduction in revenue of such state due to the COVID-19 public health emergency relative to revenues collected in the state's most recent full fiscal year prior to the emergency.
4. Use "D" to make necessary investments in water, sewer, or broadband infrastructure.

While we are awaiting further guidance to ensure that all CSFRF monies are spent appropriately, for planning purposes, we are presuming that the allowable uses of CSFRF monies under Use "A" will be analogous to those of the Coronavirus Aid, Relief, and Economic Security Act's Coronavirus Relief Fund. For Use "C," guidance is needed to determine the extent of the revenue reduction.

The ARPA restricts states from using CSFRF monies:

- To either directly or indirectly offset a reduction in the state's net tax revenue from a change in law, regulation, or administrative interpretation during the covered period (from March 3, 2021 to the last day of the state's fiscal year in which all funds received by the state have been expended or returned to, or recovered by the Treasury Secretary) that reduces any tax (by providing a reduction in a rate, a rebate, a deduction, a credit, or otherwise) or delays the imposition of any tax or tax increase.
- For deposit into any pension fund.

The ARPA also provides targeted funding for numerous other areas, including education, COVID-19 health requirements, and mental health. More specifically, the Act appropriates \$122.8 billion for the third round of the Elementary and Secondary School Emergency Relief Fund (ESSER III), of which \$412.3 million has been allocated to Hawai'i's Department of Education (DOE), and \$39.6 billion for the Higher Education Emergency Relief Fund (HEERF III), of which the University of Hawai'i (UH) is preliminarily estimated to receive \$40.4 million for student aid and \$97.2 million for institutional support. The maintenance of effort requirement to receive the ESSER III allocation is that the state must maintain support for elementary and secondary education and for higher education in FY 22 and FY 23 at least at proportional levels of state support for education relative to the state's overall spending, averaged over FY 17, FY 18 and FY 19.

Due to these significant changes to the State's fiscal situation and the requirements of the ARPA, this third budget message and request for emergency and specific appropriations for FYs 21-23 include requests for the following:

1. Restoration of priority Program Review Reductions that were proposed in the FB 2021-23 Executive Budget, including restoration of general funds for DOE and UH to meet the ARPA's maintenance of effort requirement. (Attachment 1)
2. High priority adjustments to the FB 2021-23 Executive Budget. (Attachments 2 and 3)
3. CSFRF monies for COVID-19-related costs under the ARPA's Use "A." We request that the Legislature use means of financing "V," federal stimulus funds, for CSFRF appropriations to ensure proper accounting. (Attachment 4)
4. FY 21 general fund infusions for the Convention Center Enterprise Special Fund and Tourism Special Fund as the ARPA's restriction on tax revenue reductions may prohibit the State from restarting the distribution of Transient Accommodations Tax revenues. Provisions to authorize the transfer of the general fund appropriations to the respective funds are also proposed. (Attachment 5)
5. Revised FY 21 emergency appropriation amounts to update previously requested amounts. (Attachment 5)

Your favorable consideration of the budget requests to amend the FB 2021-23 Executive Budget and for emergency and specific appropriations for FYs 21-23, as shown on the attached worksheets, is appreciated. As the State's fiscal situation remains very fluid, we will continue to work with the Legislature to ensure that we are able to address the needs of the State and the public within our available resources.

Should you have any questions on these requests, please contact the respective departments.

With warmest regards,



David Y. Ige
Governor, State of Hawai'i

Attachments

- c: Honorable Donovan M. Dela Cruz
Honorable Sylvia Luke

BUDGET MESSAGE #3
Restoration of Priority Program Review Reductions

Program ID/Org Code	Program Title	Brief Description of the Reduction	MOF	FY 22					FY 23				
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)
AGS231/FA	Central Services-Custodial, Oahu	Reduction in budgeted contracts, and utilities	A				713,700	713,700				713,700	713,700
ATG100AC	Legal Services	Reduction in funds passed through to non-profits to provide services for victims of sexual assault.	A					714,000					714,000
BED103/DA	Statewide Land Use Commission	Savings from staff re-organization	A			10,399		10,399			20,798		20,798
BED120/SI	Hawaii State Energy Office	Reduction of 1 project staff FTE and associated costs	A		1.00	41,532		41,532		1.00	83,064		83,064
BED120/SI	Hawaii State Energy Office	Reduction of 1 management staff FTE and associated costs	A	1.00		73,308		73,308	1.00		146,616		146,616
BUF103/VP	Vacation Payout - Statewide	Reduce Vacation Payout	A				6,070,940	6,070,940				6,070,940	6,070,940
DEF110/AA	Amelioration of Physical Disasters Homeland Security	Restore Filled Security Officer Position	A		1.00	40,000		40,000		1.00	40,000		40,000
DEF110/AD	DOD-HI Emergency Management Agency	HIEMA - Restore FTE for Defunded Positions per Act 7/20 and Act 9/20	A		3.50	148,548	(148,548)	-		3.50	148,548	(148,548)	-
DEF110/AD	DOD-HI Emergency Management Agency	HIEMA - Restore FTE for Defunded Positions per Act 7/20 and Act 9/20	N					-		0.50	15,120	(15,120)	-
DEF114/YC	DOD - Hilo Youth Challenge Academy	Restore Operating Funds for YCA (Hilo)	A		8.25	121,543	491,254	612,797		8.25	121,543	491,254	612,797
DEF114/YC	DOD - Hilo Youth Challenge Academy	Restore Operating Funds for YCA (Hilo)	P		25.50	1,204,754	1,157,114	2,361,868		25.50	1,204,754	1,157,114	2,361,868
DEF114/YC	DOD - Youth Challenge Academy	Trade Off OCE to Payroll to Fund Filled Zero-Budgeted Posts	A			232,260	(232,260)	-			232,260	(232,260)	-
EDN100/RR	School-Based Budgeting	Budget Restoration for MOE requirements	A				94,274,331	94,274,331				94,274,331	94,274,331
EDN200/RR	Instructional Support	Budget Restoration for MOE requirements	A	2.00	4.00			-	2.00	4.00			-
EDN300/RR	State Administration	Budget Restoration for MOE requirements	A	16.50	1.00			-	16.50	1.00			-
EDN400/RR	School Support	Budget Restoration for MOE requirements	A	10.00	2.00			-	10.00	2.00			-
EDN407QB	Public Libraries	Reduced Security Services by \$661K	A				661,000	661,000				661,000	661,000
EDN600/JA	Charter Schools	Budget Restoration for MOE requirements	A				6,725,669	6,725,669				6,725,669	6,725,669
EDN612/JR	Charter Schools Commission And Administration	Reduction of programmatic costs-professional services for charter school support	A				26,277	26,277				26,277	26,277
HTH100/DD	Communicable Disease and Public Health Nursing	Reduction of operational costs.	A				215,068	215,068				215,068	215,068
HTH100/DD	Communicable Disease and Public Health Nursing	Reduction of 1.00 FTE, TB Phys I, Pos #22025; 1.00 FTE, OA IV, Pos #4628; 1.00 FTE RN IV, Pos #26274.	A	2.00		75,844		75,844	2.00		165,480		165,480
HTH100/DG	Communicable Disease and Public Health Nursing	Delete Settlement Home Supervisor position #00973.	A	1.00		20,680		20,680	1.00		45,120		45,120
HTH100/DG	Communicable Disease and Public Health Nursing	Delete three Kitchen Helper positions (#01018, 01019, 36942). Plans to restore meal service for employees would be terminated. Food Services Unit will continue to only provide meals for patients.	A	3.00		59,428		59,428	3.00		129,660		129,660

Program ID/Org Code	Program Title	Brief Description of the Reduction	MOF	Governor's Decisions									
				FY 22					FY 23				
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)
HTH100/DH	Communicable Disease and Public Health Nursing	Reduce Other Current Expenses. Statewide STI screening program would be ended as it could no longer serve the service needs of high-risk individuals. Attempt to maintain a very limited safety net program for a small target population. Almost all community partners would be terminated from the program.	A				63,255	63,255				63,255	63,255
HTH100/DI	Communicable Disease and Public Health Nursing	Reduce Other Current Expenses for contracts-6 ASOs, which include one on each neighbor island.	A				993,846	993,846				993,846	993,846
HTH131/DA	Disease Outbreak Control	Reduction of 1.00 Acnt Clerk III #21372 in Division Administration - Fiscal & Administrative Services Office.	A	1.00	-	17,518	-	17,518	1.00	-	38,220	-	38,220
HTH131/DJ	Disease Outbreak Control	Reduction of 1.00 Ofc Asst III #46586 in Disease Investigation Branch.	A	1.00	-	30,240	-	30,240	1.00	-	30,240	-	30,240
HTH430/HQ	Adult Mental Health Inpatient	Abolishment of in-house laboratory. Reduction of 3 Medical Technologist FTEs and 1 OA FTE	A	3.00	1.00	132,498		132,498	3.00	1.00	235,020		235,020
HTH501/JA	Developmental Disabilities Division	Reduce operational costs/Abolish #19281 Dentist	A				81,000	81,000				81,000	81,000
HTH560/CC	Family Health Services	Reduce nursing service coordination and support for children/families served by the Children and Youth with Special Health Needs Program.	A	1.00		57,767		57,767	1.00		126,036		126,036
HTH560/CC	Family Health Services	Reduce 1 Administrative Clerical Staff FTE and associated costs for the Newborn Hearing Screening Program.	A	1.00		18,959	-	18,959	1.00		41,364	-	41,364
HTH560/CF	Family Health Services	20% budget reduction to HTH560/CF will reduce contract services to support the Parent Line and parent resources, will reduce 20% GF matching funds required for the federal CBCAP grant, eliminate HSP V, Position No. 26473 and Program Specialist IV, Position No. 121392.	A	1.00		27,324	-	27,324	1.00		59,616	-	59,616
HTH560/CF	Family Health Services	20% budget reduction to HTH560/CF will reduce contract services to support the Parent Line and parent resources, will reduce 20% GF matching funds required for the federal CBCAP grant, eliminate HSP V, Position No. 26473 and Program Specialist IV, Position No. 121392.	B	1.00		39,410		39,410	1.00		85,986		85,986
HTH560/CG	Family Health Services	Reduce of Early Intervention (EI) POS Contracts operating expenses.	A				646,009	646,009				646,009	646,009
HTH560/CG	Family Health Services	20% budget reduction on Early Intervention (EI) Services consists of a reduction of Administrative and Direct Support staff for EIS - System Improvement, Front Office, Program and Billing Support; to include the reduction of associated mileage and intra-state transportation costs.	A	3.00		78,535		78,535	3.00		171,348		171,348

Program ID/Org Code	Program Title	Brief Description of the Reduction	MOF	Governor's Decisions									
				FY 22					FY 23				
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)
HTH560/CG	Family Health Services	20% budget reduction on Early Intervention (EI) Services consists of a reduction of Administrative and Direct Support staff for EIS - System Improvement, Front Office, Program and Billing Support; to include the reduction of associated mileage and intra-state transportation costs.	B	-	2.00	45,911		45,911	-	2.00	100,170		100,170
HTH560/CG	Family Health Services	20% budget reduction on Early Intervention (EI) Services consists of a reduction of Administrative and Direct Support staff for EIS - System Improvement, Front Office, Program and Billing Support; to include the reduction of associated mileage and intra-state transportation costs.	N	1.00		51,695		51,695	1.00		112,788		112,788
HTH610/FN	Environmental Health Services/Vector Control	Delete 2.00 Vector Control Worker II positions and funds	A	2.00		48,048		48,048	2.00		96,096		96,096
HTH610/FN	Environmental Health Services/Vector Control	Delete 4.00 Vector Control Worker II positions and funds and 1.00 Entomologist IV position and funds	A	5.00		122,574		122,574	5.00		245,148		245,148
HTH610/FQ	Environmental Health Services/Food Safety	Delete 3.00 Food Safety Specialist IV positions and funds	A	2.00		78,420		78,420	2.00		156,840		156,840
HTH610/FR	Environmental Health Services/Indoor & Radiological Health	Delete 1.00 Environmental Health Specialist position and funds	A	1.00		31,311		31,311	1.00		62,622		62,622
HTH610/FR	Environmental Health Services/Indoor & Radiological Health	Delete 1.00 Environmental Health Specialist III position and funds	A	1.00		27,546		27,546	1.00		55,092		55,092
HTH710/MB	SLD/Admin	Air monitoring IT responsibilities to be transferred to EHA. Reduction of one 1.0 FTE from IT section under SLD Administration. Reduction of J1A collective bargaining line item. Reduction of other operating supplies.	A	1.00		17,394		17,394	1.00		78,420		78,420
HTH710/MG	SLD/EHASB/Chemistry	Reduction of two 4.0 FTE laboratory support services: Chemist III. and Chemist IV and two Laboratory Assistant III positions. Remove collective bargaining, Overtime, and Temporary Assignment J1A line items. Remove scientific supplies.	A	3.00		33,459		33,459	3.00		165,840		165,840
HTH710/MH	SLD/EHASB/AQMS	Reduction of Air Quality Monitoring Sites and 4.0 FTE Air Quality Monitoring Electronics Technician. Work to be replaced by Chemists. Reduce clerical support by 1.0 FTE. Remove services and collective bargaining, ordinary overtime, and shortage differential J1A line items. Reduction of associated supplies and other operating costs.	A	4.00		37,357		37,357	4.00		235,296		235,296
HTH760/MS	Office of Health Status Monitoring	Reduction of 2 VACANT OA III FTEs in Issuance Section	A	2.00		73,248		73,248	2.00		73,248		73,248
HTH760/MS	Office of Health Status Monitoring	Reduction of 2 VACANT OA III FTE in Registration Section - Data Entry	A	1.00		35,340		35,340	1.00		35,340		35,340
HTH907/AB	Administrative Services Office	Elimination of Positions	A	4.00		85,596		85,596	4.00		171,192		171,192

Program ID/Org Code	Program Title	Brief Description of the Reduction	MOF	FY 22					FY 23				
				Governor's Decisions									
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)
HTH907/AD	Human Resources Office	Reduction of 6.00 FTE and funds (#25936 HR Specialist IV; #122550 Office Assistant III; #15212 HR Assistant V; #28826 HR Tech. VI; #118380 HR Specialist IV; #2977 HR Specialist V)	A	5.00		128,106		128,106	5.00		277,632		277,632
HTH907/AG	Health Information Systems Office	Reduction of 1.00 FTE and funds (#90010H)	A	1.00		45,576		45,576	1.00		45,576		45,576
HTH907/AG	Health Information Systems Office	Reduction of 1.00 FTE and funds (#28771)	A	1.00		30,240		30,240	1.00		30,240		30,240
HTH907/AL	Hawaii District Health Office	Reduction of 2.00 FTE and funds	A	1.00		30,240		30,240	1.00		30,240		30,240
HTH907/AM	Maui District Health Office	Reduction of 1 OA position	A	1.00		32,664		32,664	1.00		32,664		32,664
HTH907/AN	Kauai District Health Office	Elimination of Pos. #120934	A	1.00		67,044		67,044	1.00		67,044		67,044
HTH907/AN	Kauai District Health Office	Reduce FTE Pos. #22278	A	1.00		30,240		30,240	1.00		30,240		30,240
HTH907/AP	Office of Planning Policy & Program Development	Reduce operating expenses and abolish \$50,916 for #116627	A	1.00		50,916		50,916	1.00		50,916		50,916
HTH908/AR	Office of Language Access	Restoration of 4 FTE (#118385, #121281, #122992, and #122993) from the original proposed elimination of Office of Language Access and transfers out 3.00 FTE to HTH 907/AP	A	2.00		112,572		112,572	2.00		112,572		112,572
LBR153/RA	Hawai'i Civil Rights Commission (HCRC)	Program Review (PR) reduced HCRC program by 6.00 FTE Perm. pos. and \$315,242 (MOF A). Pos. included civil service (CS) and Exempt (EXM). Two CS pos. and 1 EXM pos. filled. - Note DLIR did not submit a PRRR. PRRR created by B&F.	A	3.00		144,306		144,306	3.00		144,306		144,306
LNR806/FA	Parks Administration and Operation	Reduce Lifeguard Contracts	A				1,456,161	1,456,161				1,456,161	1,456,161
LNR906/AA	LNR - Natural and Physical Environment (KIRC)	Reduction of one (1) ocean management position, Ocean Resource Specialist II, Position #113036	A		1.00	18,806		18,806		1.00	40,008		40,008
LNR906/AA	LNR - Natural and Physical Environment (KIRC)	Reduction of one (1) land-based restoration position, Natural Resources Specialist III, Position #103110	A		1.00	14,523		14,523		1.00	58,056		58,056
PSD409/EK	Women's Community Correctional Center	To Continue the Operations of Ho'okipa Cottage	A	18.00		1,258,526	227,103	1,485,629	18.00		1,258,526	227,103	1,485,629
TAX100/CK	Compliance- Kauai District Tax Office	Reorganization of the Kauai District Tax Office	A	8.00	-	196,686	-	196,686	8.00	-	393,372	-	393,372
UOH100	University of Hawaii, Manoa	Budget Restoration for MOE requirements	A					26,310,532					26,310,532
UOH110	University of Hawaii, John A. Burns School of Medicine	Budget Restoration for MOE requirements	A					2,217,180					2,217,180
UOH210	University of Hawaii, Hilo	Budget Restoration for MOE requirements	A					4,212,641					4,212,641
UOH700	University of Hawaii, West Oahu	Budget Restoration for MOE requirements	A					1,995,462					1,995,462
UOH800	University of Hawaii, Community Colleges	Budget Restoration for MOE requirements	A					16,998,376					16,998,376
UOH900	University of Hawaii, Systemwide Support	Budget Restoration for MOE requirements	A					6,265,809					6,265,809

Program ID/Org Code	Program Title	Brief Description of the Reduction	MOF	Governor's Decisions									
				FY 22					FY 23				
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)

TOTAL ADJUSTMENTS				117.50	51.25	5,278,891	113,421,919	177,414,810	117.50	51.75	7,300,277	113,406,799	179,421,076
By MOF													
General	A			115.50	23.75	3,937,121	112,264,805	174,915,926	115.50	23.75	5,781,459	112,264,805	176,760,264
Special	B			1.00	2.00	85,321	-	85,321	1.00	2.00	186,156	-	186,156
GO Bond	C			-	-	-	-	-	-	-	-	-	-
Federal Funds	N			1.00	-	51,695	-	51,695	1.00	0.50	127,908	(15,120)	112,788
Other Federal Funds	P			-	25.50	1,204,754	1,157,114	2,361,868	-	25.50	1,204,754	1,157,114	2,361,868
Private	R			-	-	-	-	-	-	-	-	-	-
County	S			-	-	-	-	-	-	-	-	-	-
Trust	T			-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	U			-	-	-	-	-	-	-	-	-	-
Federal Stimulus Funds	V			-	-	-	-	-	-	-	-	-	-
Revolving	W			-	-	-	-	-	-	-	-	-	-
Other	X			-	-	-	-	-	-	-	-	-	-

BUDGET MESSAGE #3
Adjustments to the FB 21-23 Executive Budget - Operating

Program ID/Org Code	Program Title	Description of Adjustment	MOF	FY 22					FY 23				
				Governor's Decisions									
				Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)	Perm FTE	Temp FTE	Personal Services (\$)	Other Current Expenses (\$)	Total (\$)
BUF721	Debt Service - State	Reduce general funded working capital debt service.	A	-	-	-	(73,353,530)	(73,353,530)	-	-	-	(70,437,401)	(70,437,401)
BUF721	Debt Service - State	Consolidate working capital debt service into one Program ID and change to federal stimulus funds.	V				160,020,792	160,020,792				153,659,250	153,659,250
BUF725	Debt Service - DOE	Reduce general funded working capital debt service.	A				(63,256,220)	(63,256,220)				(60,741,501)	(60,741,501)
BUF728	Debt Service - UH	Reduce general funded working capital debt service.	A				(23,411,042)	(23,411,042)				(22,480,348)	(22,480,348)

TOTAL ADJUSTMENTS

-	-	-	-	-	-	-	-	-	-	-	-	-	-
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By MOF

General	A	-	-	-	(160,020,792)	(160,020,792)	-	-	-	(153,659,250)	(153,659,250)
Special	B	-	-	-	-	-	-	-	-	-	-
GO Bond	C	-	-	-	-	-	-	-	-	-	-
Federal Funds	N	-	-	-	-	-	-	-	-	-	-
Other Federal Funds	P	-	-	-	-	-	-	-	-	-	-
Private	R	-	-	-	-	-	-	-	-	-	-
County	S	-	-	-	-	-	-	-	-	-	-
Trust	T	-	-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	U	-	-	-	-	-	-	-	-	-	-
Federal Stimulus Funds	V	-	-	-	160,020,792	160,020,792	-	-	-	153,659,250	153,659,250
Revolving	W	-	-	-	-	-	-	-	-	-	-
Other	X	-	-	-	-	-	-	-	-	-	-

BUDGET MESSAGE #3
Adjustments to the FB 21-23 Executive Budget - CIP (in 000's)

					Governor's Decisions											
					FY 22						FY 23					
Program ID	Expending Agency	Program Title	Project Title and Description	MOF	Plans	Land	Design	Construction	Equipment	Total (\$)	Plans	Land	Design	Construction	Equipment	Total (\$)
AGS 131	AGS	Enterprise Technology Services	STATE FINANCE SYSTEM (HAWAII MODERNIZATION INITIATIVE), STATEWIDE	C	1,000					1,000						-
			Plans for State finance system.							-						-
										-						-
										-						-
										-						-

TOTAL ADJUSTMENTS

1,000		-	-	-	1,000	-		-	-	-	-	-
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By MOF

General	A	-		-	-	-	-	-	-	-	-	-
Special	B	-		-	-	-	-	-	-	-	-	-
GO Bond	C	1,000		-	-	-	1,000	-	-	-	-	-
Federal Funds	N	-		-	-	-	-	-	-	-	-	-
Other Federal Funds	P	-		-	-	-	-	-	-	-	-	-
Private	R	-		-	-	-	-	-	-	-	-	-
County	S	-		-	-	-	-	-	-	-	-	-
Trust	T	-		-	-	-	-	-	-	-	-	-
Inter-departmental Transfer	U	-		-	-	-	-	-	-	-	-	-
Federal Stimulus Funds	V	-		-	-	-	-	-	-	-	-	-
Revolving	W	-		-	-	-	-	-	-	-	-	-
Other	X	-		-	-	-	-	-	-	-	-	-

COVID-19 Requirements to be Paid with CSFRF ARPA Funds (MOF: V) as of 3/29/2021

Dept	Item	MOF	Updated 3/29/21 FY21 Emergency Appropriation	Updated 3/29/21 FY21 Specific Appropriation	Updated 3/29/21 FY22 Specific Appropriation	Updated 3/29/21 FY23 Specific Appropriation	Comments
AGS	Specific Appropriation: Spectator Events and Shows - Aloha Stadium - Funds to cover the anticipated shortfall caused by the shut down of public gathering places due to COVID-19	V			1,500,000		The Aloha Stadium is a special funded program. Due to the pandemic and event closures, revenues suddenly plummeted putting the continuation of operations at serious risk. This \$1.5M FY 22 request will supplant DAGS current FY 21 EA request. Stadium indicated that the EA requested in FY 21 was actually needed to help cover the \$4M est. shortfall in FY 22.
AGS	Specific Appropriation: Spectator Events and Shows - Aloha Stadium - Operating Budget Shortfall Due to COVID-19 Restrictions on Events at the Aloha Stadium	V			2,587,200		\$2.5 M will supplant current FB 21-23 Exec. Budget request for AGS 889 (Stadium) for same amount and same purpose in general funds - projected operating budget shortfall due to COVID-19 restrictions on events at the Aloha Stadium.
AGS	Specific Appropriation: State Risk Management and Insurance Administration - Add funds for Insurance Program cost increase	V			5,000,000	5,000,000	Due to the pandemic, insurance premiums have increased for property, liability, cyber liability and crime insurance. FY20 consolidated insurance premiums cost was approximately \$15M. DAGS Risk Management Office estimates premiums to increase by approximately \$5 to \$7.5M in FY22 and beyond. 2020 State of Hawaii Insurance Program (Jan. 1 to Dec.31, 2020) Costs Total \$15M composed of: Property Insurance: \$11.7M Excess Liability Insur. \$ 2.6M Crime Insur. \$105K Cyber Liability Insur. \$641K
BED	Specific Appropriation: Hawaii Tourism Authority - Emergency Economic Recovery - Marketing in Hawaii's major markets to revive tourism	V			5,500,000		\$3M to repay Convention Center for UI and contact tracing efforts. \$2.5M for re-start airlift from Asia and Oceania. The funds will be used to optimize travel to the Hawaiian Islands with high spend avid travelers from the above major market areas through consumer promotions, public relations, travel trade marketing and meetings and incentive groups marketing. The brand marketing will optimize travel to Hawaii by avid travelers with high per person per day spending.
DEF	Specific Appropriation: Safe Travels Hawai'i Airport Screening Program	V			22,008,500		Safe Travels Hawai'i Airport Screening Program Breakdown (FY 22): 1. Roberts Hawai'i Contract for \$13,248,500 2. eWorld Helpdesk Contract for \$2,400,000 3. AMR Neighbor Island COVID Testing Contract for \$2,400,000 4. Verizon IT Equipment Contract for \$120,000 5. PPE and ETS Spring ML Contract for \$1,440,000 6. HTA Call Center Contract for \$2,400,000
DEF	Specific Appropriation: Activate National Guard Forces for the Second Half of FY 22	V			5,280,000		To fund the second half of FY 22 to maintain 91.00 National Guards per month with a monthly cost of \$880,000/mo. for COVID-related functions. Key tasks include assisting in contact tracing, facilitating vaccine distribution plans, providing logistical and transport assistance and other key functions.
DEF	Specific Appropriation: PPE Storage and Warehouse Costs	V			4,500,000		To fund the warehouse and storage costs in FY 22 for PPE and other supplies.

COVID-19 Requirements to be Paid with CSFRF ARPA Funds (MOF: V) as of 3/29/2021

Dept	Item	MOF	Updated 3/29/21 FY21 Emergency Appropriation	Updated 3/29/21 FY21 Specific Appropriation	Updated 3/29/21 FY22 Specific Appropriation	Updated 3/29/21 FY23 Specific Appropriation	Comments
DEF	Specific Appropriation: COVID-19 logistics positions	V			601,000	601,000	To fund 9.00 FTE logistical positions within the COVID-19 Special Project for PPE and vaccine distribution.
HMS	Specific Appropriation: Overtime expense	V			992,141		Overtime needed due to increase in applications and case loads due to pandemic. BESSD applications have gone from 1,000/wk. to over 4,000/wk. due to the pandemic and is expected to continue to rise as UI benefits run out. MQD applications increased by 35% and continued eligibility reviews for all cases will have to be completed by the end of the month in which U.S. DHHS declares the end of the public health emergency. Child Welfare Services has also seen increased cases and it is more difficult to place children, whom the social workers must accompany until placement.
HTH	Emergency and Specific Appropriation: DOCD (CT, Epi, Immz Activities)	V	3,336,000		9,708,216		Continuation of contracted disease investigation/contact tracing/first contact callers for COVID-19 positive cases and their close contacts.
HTH	Specific Appropriation: Communications - Statewide	V			150,000		Research and development of vaccination messages, media placement for COVID-19 prevention and mitigation.
HTH	Specific Appropriation: Testing/Specimen Collection Contracts/Airport-Based Secondary Screening	V			1,558,116		Swab team expansion to include increasing non-governmental personnel to participate in COVID-19 community-based testing utilizing the full-spectrum of testing options available (e.g., PCR, molecular, antigen, point-of-care, swab-and-send, observation of self-swabbing, etc.) Neighbor Island Safe Travels airport secondary screening including swapping of symptomatic travelers. Assumption is based on this secondary screening being suspending in December 2021.
HTH	Emergency and Specific Appropriation: Oahu Iso/Q Sites	V	5,400,000		5,400,000		Continues isolation and quarantine sites on Oahu for residents who cannot safely isolate or quarantine at home. These services are coordinated through the expanded Hawaii CARES program. 1st half of FY 22 = \$6,000,000 - \$4,674,295 (remainder of estimated CDC grant for testing/tracing [\$81,495,303] after FY 21 EA costs [-\$67,321,008] and DOCD 1st half of FY 22 costs [-\$9,500,000]) DOH update estimate \$5,400,000 for FY 21; \$5,400,000 for FY 22; DOH indicated item pending conversation between State and Counties regarding ARPA funds
HTH	Emergency and Specific Appropriation: Oahu Wrap Services	V	400,000		450,000		Supportive services, case management, transportation, etc. for residents who are isolating or quarantining at home or in a state ISO/Q facility and cannot do so without government supports 3/29/21 DOH update estimate \$400,000 for FY 21; \$450,000 for FY 22; DOH indicated item pending conversation between State and Counties regarding ARPA funds.
HTH	Emergency and Specific Appropriation: Public Health PPE, IH & Barriers	V	250,000		350,000		Additional supplies for front-line public health workers, particularly staff who will be reopening in-person services in calendar year 2021.
HTH	Emergency and Specific Appropriation: Hansens Disease COVID Prevention	V	21,667		15,000		Additional testing, PPE, IH for high risk population in Kalaupapa, particularly for the majority of Kalaupapa residents who travel to Oahu for medical care.

COVID-19 Requirements to be Paid with CSFRF ARPA Funds (MOF: V) as of 3/29/2021

Dept	Item	MOF	Updated 3/29/21 FY21 Emergency Appropriation	Updated 3/29/21 FY21 Specific Appropriation	Updated 3/29/21 FY22 Specific Appropriation	Updated 3/29/21 FY23 Specific Appropriation	Comments
HTH	Emergency and Specific Appropriation: Public Health Nursing COVID Surge	V	275,000		412,500		PHN Overtime for COVID-surge response for both disease investigation, contact tracing, community outreach, health care and industry technical assistance.
HTH	Emergency and Specific Appropriation: KDHO Iso/Q & Wrap	V	50,000		150,000		Continuation of iso/q sites and services; primary site is a county-owned facility therefore expenses are primarily around support and wrap-around services. 3/29/21 DOH update estimate \$50,000 for FY 21; \$150,000 for FY 22; DOH indicated item pending conversation between State and Counties regarding ARPA funds.
HTH	Emergency and Specific Appropriation: HDHO Iso/Q & Wrap (Hilo & Kona)	V	4,000,000		3,000,000		Continuation of iso/q sites and services in coordination with Hawaii County operations; Hawaii County exceeded ISO/Q allocations during recent clusters and it is vital that ISO/Q locations are maintained on both sides of the island. 3/29/21 DOH update estimate \$4,000,000 for FY 21; \$3,000,000 for FY 22; DOH indicated item pending conversation between State and Counties regarding ARPA funds.
HTH	Emergency and Specific Appropriation: MDHO OT	V	275,000		412,500		MDHO only has 1 disease investigator; this staff has to work OT as well as has support from other MDHO staff who work OT to support this disease investigator
HTH	Emergency and Specific Appropriation: MDHO Iso/Q & Wrap	V	1,000,000		1,050,000		Continuation of isolation and quarantine sites and services.
HTH	Emergency and Specific Appropriation: Contracted tests -- tests administration	V	2,000,000		3,500,000		For 200,000 tests contracted w/Diagnostic Labs & Clinical Labs
HTH	Specific Appropriation: National Guard CT/CI Staff	V			2,354,508		33 NG staff for contact tracing and investigatoin from October 2021 to June 2022.
HTH	Specific Appropriation: Vaccination POD support after FEMA PA project end date of September 2021	V			31,166,736		6 month contingency funding for unknown changes to national vaccination strategies, particularly for the implementation of pediatric vaccinations.
HTH	Emergency and Specific Appropriation: Misc. vaccination expenses	V	20,000,000		26,000,000		Expenses slated to be reimbursed by the FEMA Public Assistance program via the approved DOH PA program being administered jointly by DOH-BUF-HIEMA. The current FEMA PA project period is January-April 2021, and DOH will reapply for additional FEMA PA project periods to continue participation through September 2021 (current timeline for the availability of this FEMA PA). FY21 expenditures are assumed to be reimbursed by FEMA in FY22. FY22 expenditures are assumed to be reimbursed by FEMA in FY23.
HHSC	Specific Appropriation: COVID-19 revenue shortfall - Regions subsidy	V			31,900,000		HHSC estimated revenue shortfall due to pandemic.

COVID-19 Requirements to be Paid with CSFRF ARPA Funds (MOF: V) as of 3/29/2021

Dept	Item	MOF	Updated 3/29/21 FY21 Emergency Appropriation	Updated 3/29/21 FY21 Specific Appropriation	Updated 3/29/21 FY22 Specific Appropriation	Updated 3/29/21 FY23 Specific Appropriation	Comments
LBR	Specific Appropriation: Unemployment Insurance (UI) - UI Plan	V			63,167,737	31,327,619	"UI Plan" funds will be required primarily for the following three broad purposes: 1. To expand the UI call Center (including space rental at the convention center, staff and equipment costs) 2. To contract out for a PR consultant 3. To receive AG support to investigate fraud. DLIR provided a detailed list of costs by purpose, with a timeline by month and year. Updated figures as of 3-24-21.
LBR	Specific Appropriation: Unemployment Insurance (UI) - Interest Payment on UI Loan	V			252,390	5,091,174	Due to the pandemic, economic downturn,unprecedented surge in the unemployment rate and massive increase in UI claims and benefit payments, the State had to take out substantial federal loans to cover the UI benefit costs. The proposal is to utilize ARPA funds to pay interest accrued on UI loan in FY22 and FY23 at 2.2777% interest.
PSD	Specific Appropriation: COVID-19 Testing for Inmates	V			2,279,616	2,279,616	To fund COVID-19 testing for inmates as a pre-admission requirement before proceeding to surgery or operations.
PSD	Emergency and Specific Appropriation: Healthcare Contract for Medical Services	V	1,506,460		3,012,920	3,012,920	To fund healthcare contract for physicians and nurses for 24/7 COVID-related services in PSD facilities.
PSD	Emergency and Specific Appropriation: Food Services	V	200,000		400,000	400,000	To fund food delivery adjustment services in various PSD facilities to reduce contact to inmates who test positive.
PSD	Emergency and Specific Appropriation: Deep Cleaning, Disinfectant and Sanitation for PSD Facilities	V	900,000		1,800,000	1,800,000	To fund supplies and deep cleaning, disinfectant and sanitation services for PSD correctional facilities and offices.
PSD	Emergency and Specific Appropriation: Inmate Hospitalization Expenses at Non-State Facilities	V	600,000		1,200,000	1,200,000	To fund increased hospitalization costs relating to COVID-19 for inmates in Saguaro Correctional Center in Arizona.
PSD	Emergency and Specific Appropriation: Safe Travels Hawai'i Airport Screening Program for Deputy Sheriff Security Costs	V	136,201		229,300	229,300	To fund other security costs, overtime and other payroll costs excluding the base salary of 10.00 Deputy Sheriffs to be assigned in the airports for screening services.
TRN	Specific Appropriation: Airports Administration - Maintenance of the Integrated Thermal Scanner, Facial Recognition Tracking System	V			1,667,832	1,667,832	Contract with NEC for maintenance of the Integrated Thermal Scanner, Facial Recognition Tracking System.

BUDGET MESSAGE #3

Attachment 4

COVID-19 Requirements to be Paid with CSFRF ARPA Funds (MOF: V) as of 3/29/2021

Dept	Item	MOF	Updated 3/29/21 FY21 Emergency Appropriation	Updated 3/29/21 FY21 Specific Appropriation	Updated 3/29/21 FY22 Specific Appropriation	Updated 3/29/21 FY23 Specific Appropriation	Comments
GOV	Emergency and Specific Appropriation: Contingency	V	10,000,000		20,000,000	20,000,000	Contingency for other costs that may arise
PSD	Specific Appropriation: Correctional Officers Payroll from January 2021 to June 2021	V		60,740,004			Correctional Officers payroll from January 2021 to June 2021 based on average monthly payroll of \$10,123,334. (6 mos. x \$10,123,334 = \$60,740,004)
LNR	Specific Appropriation: DOCARE & State Sheriffs payroll from January 2021 to June 2021	V		19,758,572			Division of Conservation and Resources Enforcement (DOCARE) & State sheriffs payroll w/fringe from January 2021 to Jun2 2021 based on average monthly payroll of \$3,293,095. (6 mos. x \$3,293,095 = \$19,758,572)
HTH	Specific Appropriation: State EMS personnel costs from March 2020 to June 2021	V		66,287,484			State Emergency Medical Services (EMS) personnel costs from March 2020 to June 2021 Based on average monthly payroll w/fringe less reimbursements for transports to hospitals (\$1,142,968/month) x 16 mos. = \$66,287,484.
Period Total			50,350,328	146,786,060	259,556,212	72,609,461	

BUDGET MESSAGE #3

Attachment 5

FY21 Non--COVID Emergency and Specific Appropriations as of 3/29/2021

DEPT	ITEM	MOF	FY21 Emergency Appropriation	FY21 Specific Appropriation	Comments
HMS	General assistance shortfall due to caseload increases	A	5,400,000	0	The base general fund budget for GA is \$23,889,056 and the special fund allows for up to \$3,000,000 in federal fund reimbursements to be used for GA as well, for a total of \$26,889,056 in funding. An additional \$5,400,000 would bring the total up to \$32,289,056. BESSD is projecting GA needs of about \$32,340,000 (6,946 recipients x \$388/mo. x 12 mos.) to allow for a little more growth in enrollment from August's 6,823 recipients. Increasing GA funding will allow BESSD to continue to provide \$388/mo. to recipients, in parity with Assistance to the Aged, Blind, and Disabled; otherwise, monthly payments will have to be reduced to fit within GA appropriations
HTH	EMS shortfall	A	4,786,333	0	The DOH is anticipating an operational budget shortfall of approximately \$4.7M for collective bargaining and other current expenses related to the state comprehensive emergency medical system.
PSD	Funding for deleted vacant correctional officer & medical positions	A	6,006,892	0	PSD requests for payroll of 160.00 FTE ACO positions (\$9.6M) and 26.50 FTE Healthcare positions (\$2.4M) previously reduced in Act 9, SLH 2020. FB 21-23 Exec. Budget requests to restore funding for all these positions. PSD noted that these positions are critical in PSD's 24/7 operations and other COVID-related functions. As of date, 37.00 of these total positions are filled and paid using other budgeted funds (\$2,690,492). PSD has an exception to fill these positions. \$6,006,892 represents FY21 half-year salary.
BED	Cash infusion to the HTA's Tourism Special Fund.	A	0	158,000,000	Due to the suspension of Conveyance Tax distributions, the HTA's Tourism Special Fund will not receive its distribution of \$79M per year in the upcoming biennium. This infusion will provide funding for operations in FY 22 and FY23. (See transfer proviso attached)
BED	Cash infusion to the HTA's Convention Center Special Fund.	A	0	33,000,000	Due to the suspension of Conveyance Tax distributions, the HTA's Convention Center Special Fund will not receive its distribution of \$16.5M per year in the upcoming biennium. This infusion will provide funding for operations in FY 22 and FY23. (See transfer proviso attached)
Total			16,193,225	191,000,000	

BUDGET MESSAGE #3
FY 21 OPERATING PROVISOS

Proviso for general fund infusion for the Tourism Special Fund:

SECTION XX. Provided that of the general fund appropriation for tourism (BED113), the sum of \$158,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 shall be deposited into the tourism special fund to be expended for the purposes of the fund.

Proviso for general fund infusion for the Convention Center Enterprise Special Fund:

SECTION XX. Provided that of the general fund appropriation for tourism (BED113), the sum of \$33,000,000 or so much thereof as may be necessary for fiscal year 2020-2021 shall be deposited into the convention center enterprise special fund to be expended for the purposes of the fund.

Note: These provisos may need to be revised depending upon how the funds are appropriated.